

ART CHAIN WHITE PAPER

V1.0



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1. Industry Background

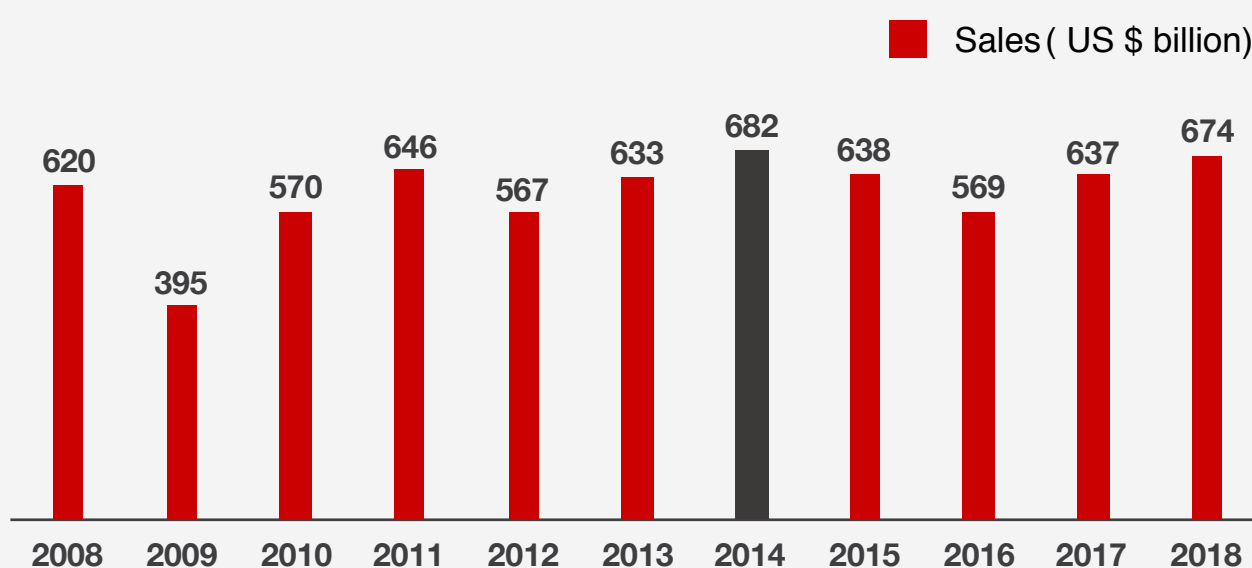
1.1 Cultural Market

In the "Art Market Report 2019" issued by Art Basel in conjunction with UBS, it was pointed out that since 2012, due to the better economic situation in the United States, sales of the global art market have increased, which is \$68.2 billion and reached a historic peak in 2014. Beginning in 2015, the uncertainty of the global economy and policies has dampened the confidence of the art market, causing the total sales of the global art market to decline in 2016, of which sales fell by 16% from 2014 to 2016. Affected by the rapid advancement of the auction market in 2017, the global art market saw a strong growth of 12%, attracting more investors to pay attention to the auction market. Sales of the global art market in 2018 reached US \$ 67.4 billion, a year-on-year increase of 6%, ranking second in annual sales over the past decade, after US \$ 68.2 billion in 2014.

Data shows that in 2018, the United States, the United Kingdom, and China led the global art market, with the total sales of the three major markets exceeding 80%. Among them, the United States has the largest market share of 44% of the global art market, with sales of \$ 29.9 billion, and the United Kingdom has returned to the world's second largest art market with a market share of 21%; while China has been affected by the internal and external environment and its market share dropped slightly by 2% to 19%, retreating to third place. Prior to 2000, there was almost no data registration in the Chinese art market. Looking at the development and changes of the Chinese art market in the past decade and the interaction with the international art market, it can be found that the Chinese art market has more and more power and influence.

The "2019 Art Market Report" pointed out that from 2009 to 2011, when other markets were recovering from the impact of the global financial crisis, China, with its rapid economic development, temporarily became the world's largest art market in 2011, occupying 30% of the world's total market share and sales of \$19.5 billion. The market share in 2016 was around 20%. In 2017, the Chinese art market began to enter a transformation, tending to focus on quality rather than quantity. Overall, sales in the Chinese art market increased by more than 130% between 2008 and 2018.

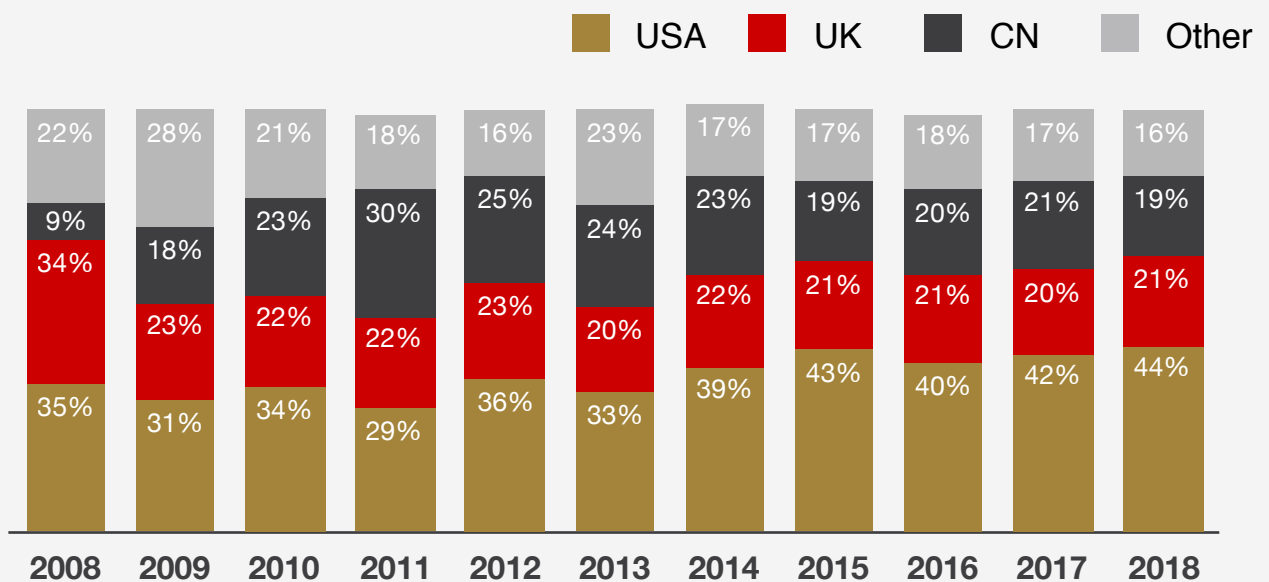
Sales Volume of Global Art Market, 2008-2018



According to the "2019 Art Market Report", the global auction market has been affected by the financial crisis in the past. In 2009, sales of public auctions (excluding private auction houses) of art and antiques fell sharply, to \$ 18.3 billion. In the next two years, the trend of the Chinese market has improved, and the gradual recovery of the United States economy has successfully driven the rebound of the global art auction market, reaching sales of US \$ 32.4 billion in 2011.

However, due to the downturn of the Chinese art market in 2012, the total sales of the global art auction market fell slightly to US \$ 27.6 billion. Despite some fluctuations in the market, sales of the global art auction market continued to increase in 2014 and hit a new high of \$ 32.7 billion. Between 2015 and 2016, the global art auction market was affected by global economic changes, falling to US \$ 22.5 billion, a year-on-year decline of 25%. Sales of the global art auction market grew rapidly in 2017, again rising to \$ 28.4 billion. Then in 2018, the global art auction market was affected by high price auction items, especially items with prices exceeding US \$ 10 million, which increased the total sales to US \$ 29.1 billion, a year-on-year increase of 3 %.

Sales Share of Global Art Market, 2008-2018



1.2 Chinese Painting and Calligraphy

Chinese paintings and calligraphy have occupied the majority of the Chinese art market since its rise and has dominated both the market share and the transaction price of a single lot. According to incomplete statistics from the Art Market Monitor of Artron (AMMA), in 2018, 75,209 Chinese paintings and calligraphy were sold, with a turnover of 20.72 billion yuan, and their volume and turnover decreased by 2.1% and 16.1% year-on-year in 2017 respectively. Unlike the uncertainty of contemporary art collections and the niche groups of miscellaneous porcelain collections, the Chinese painting and calligraphy collection group is relatively stable, more liquid, and has the strongest appreciation potential. Therefore, it has become a target for buyers. In the 2019 Hurun Art List – ‘Top 100 Most Popular Chinese Artists in the World’, Chinese painting and calligraphy are the main creative forms for 78 artists, 10 artists involved in Chinese calligraphy and painting, and 12 are oil painting artists. It can be seen that Chinese calligraphy and painting works are still the most sought-after artistic expression in the market. Among them, the late master Zhang Daqian topped the list of ‘Most Popular Chinese Artists’ with a turnover of 2.88 billion yuan, and 9 works were included in the 2019 Hurun Art List - ‘Top 50 Modern- Contemporary Chinese Paintings’, the most expensive one is a vertical scroll of ‘The Heavenly Maiden Scattering Flowers’ (1935), sold by Beijing Poly International Auction for 84.53 million yuan.

1.3 Pain Points

(1) **Difficult to verify the authenticity of artworks**

Counterfeit pieces and false ownership are the biggest risks faced by collectors and investors. Authentication and identification are not standardized processes. In the context of e-commerce transactions in non-physical scenarios, the authenticity of art is more difficult to distinguish, making collectors and investment institutions stay away from e-commerce transactions.

"Yan" is currently the most commonly used method for the identification of works of art, that is, to identify the authenticity of works of art with the knowledge, experience and eyesight of experts. In fact, the level of modern reproduction is getting higher and higher. The appraiser may also generate moral hazard due to benefits. A more objective scientific and technological appraisal method came into being. The physical detection methods of popular science instruments identify the microscopic information of the material form of the artwork and store it in the database for authentication and record. However, this identification method has a complicated process, is expensive, and has a long identification period, which leads to a high threshold for the identification of artworks and thus is unpopular.

(2) **Trading artworks is not convenient**

The offline transaction process of artworks is long, there are many links, the risk of online transactions is high, and the rights have not been formalized. The original pricing and circulation price of the artwork are opaque because the transaction process is opaque.

(3) Artwork market is illiquid

The poor liquidity of the art market makes it difficult to evaluate the value of art, valuation is not authoritative, the size of art transactions is small, the amount of funds is limited, and there is no ability to resist risks.

(4) Artwork is hard to turn into cash

Industry information is asymmetric, transaction paths are not intelligent, and price manipulation by intermediaries cause losses to market participants. After consumers buy art, once they urgently need funds, it is difficult to achieve efficient resale through existing art e-commerce.

(5) The market for original and print artworks is limited

The number of original paintings and paintings is small, and the unit price is relatively high, resulting in few participants and poor liquidity; while the poor recognition of prints in China and the relatively low value of collections lead to the lack of value support for prints and chaotic market prices.

2. Art Platform - The world's first platform to guarantee the real painting and calligraphy

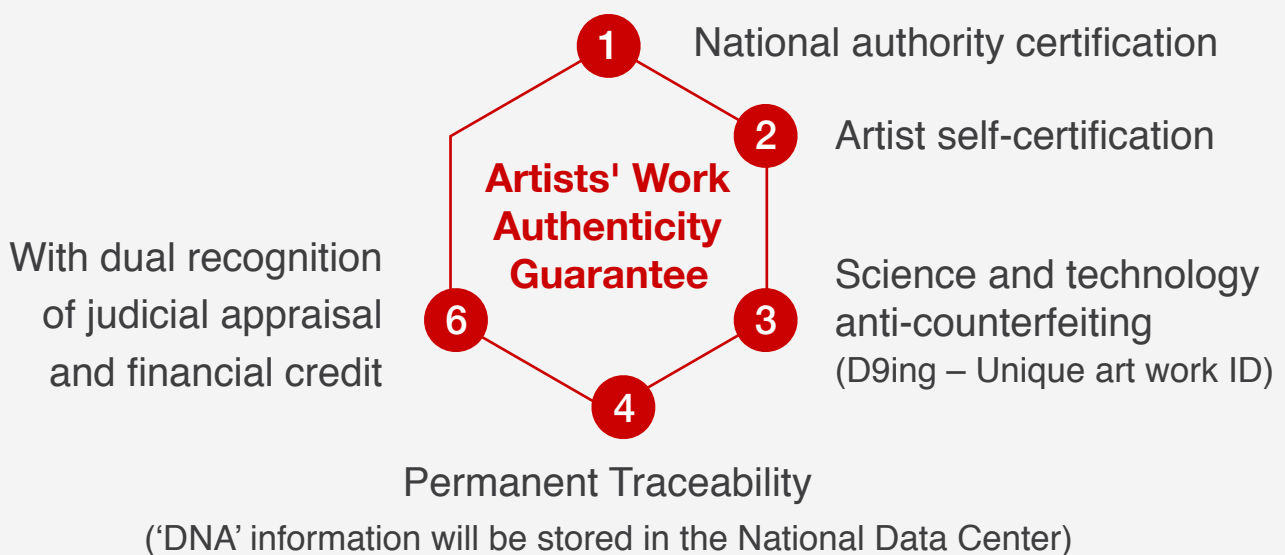
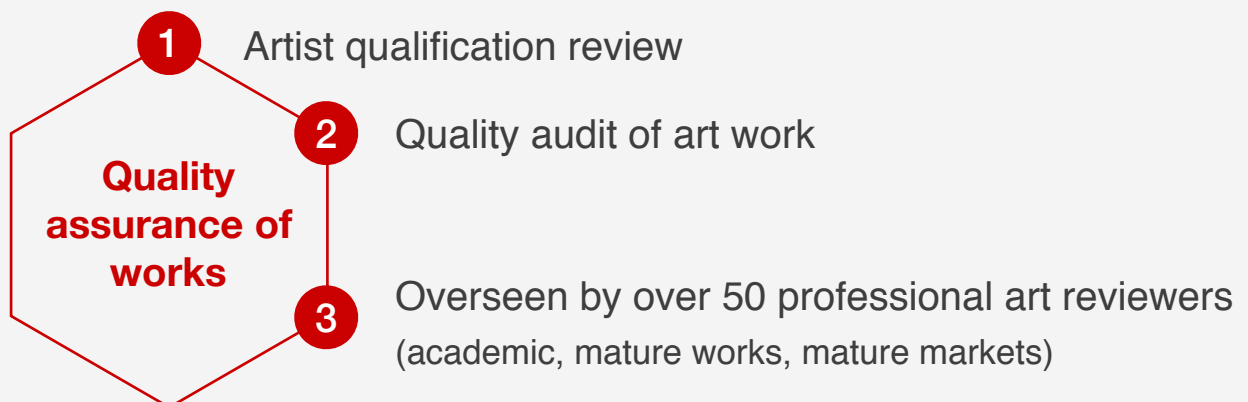
2.1 Platform Stock

Artworks on the painting and calligraphy platform are mainly divided into original works and prints. The original is the original painting and calligraphy work of the artist, which is unique and mainly aimed at collectors. The prints are reproduced with super high precision (billion-pixel) stereo scanning equipment under the authorization of the museum or art museum, the artist himself, or the estate of the artist. Then micro-spray printing outputs on the same material (such as rice paper, silk, canvas, etc.), and produced in limited quantities.

Prints have the characteristics of high quality, high decoration, genuine editions and limited editions, and are mainly for public investors and consumer customers.

The platform already has approximately 10,000 square feet of original works and about 190,000 prints. It has signed a contract to wait for the launch of about 100 million square feet of original works, more than 1 million prints, and 70% of the artists on the platform come from the top 8 art academy in China.

2.2 Platform Quality Control



2.2.1 Quality assurance of works

Artist qualification criteria

Artists are divided into three levels according to their qualifications: strength artists (level A), backbone artists (level B), and emerging artists (level C).

Level A: Strength artist must meet the following conditions:

- 1) Great achievements have been made in calligraphy and painting creation and theoretical research. Works and treatises have great influence and appeal in both academia and society;
- 2) The creation of calligraphy and painting serves the society, the representative works can reflect the characteristics of the times and the national spirit, can represent the level of calligraphy and painting art at that time, and have a high artistic appreciation and collection value;
- 3) These artists hold important positions in the China Artists Association, China Book Association, art colleges, professional art institutions, art groups. Or old artists with high reputation and high qualifications;
- 4) Department of national first-level artist, professor of fine arts, or industry-recognized masters of calligraphy and painting;
- 5) Works in the primary and secondary markets of calligraphy, painting and art, and the collection industry have better circulation and higher circulation prices.

Level B: Backbone artists must meet at least four of the following conditions:

- 1) Graduated from a state-level professional art college or taught by a famous teacher;
- 2) Winners at important national and military exhibitions sponsored by the Ministry of Culture of the State Council, China Federation of Literary and Art Federations, Ministry of General Affairs and Culture, Chinese Artists Association and Chinese Calligraphers Association;
- 3) Have a unique artistic creation style and has a certain status and influence in the painting and calligraphy world;
- 4) National first- and second-level artists, professors and associate professors of fine arts, or industry-recognized masters of calligraphy and painting;
- 5) The painting and calligraphy art market is highly active at home and abroad, with a certain market share.

Level C: Emerging artists need one of the following conditions:

- 1) Fine arts graduates from regular institutions of higher learning, or postgraduates and doctoral students of fine arts from the school; excellent graduates from training courses in formal art institutions (more than two years);
- 2) National artists, teachers of fine arts, or outstanding talents recommended in writing by two well-known painters and painters (level 1 fine artists, professors of fine arts);
- 3) Member of the National and Provincial (Municipality) Artists Associations, Calligraphers Association, Oil Painting Society, Printmakers Association, etc. ;

- 4) Artists in the National and Provincial National Painting Institutes;
- 5) Winners for national and military art and calligraphy exhibitions hosted by the Ministry of Culture, China Federation of Cultural Affairs, Ministry of General Affairs and Culture, Chinese Artists Association, and Chinese Calligraphers Association Winners of the exhibition.

Art Work Quality Review Standards

- 1) Work specifications (In order to adapt to the circulation, sale, hanging and preservation of artworks, uniform requirements are formulated)

Work size: The area of the painting core is preferably 1-4 square feet, and the maximum does not exceed 8 square feet;

Material of work: no breakage, tough texture;

Art decoration: in principle, do not frame or decorate

- 2) Category of works

Chinese painting: Chinese painting on paper, Chinese painting on silk and cloth, Chinese painting on ceramics, etc.;

oil on canvas, cardboard oil painting, wood oil painting, etc.;

Prints: woodcut prints, copper prints, silk-cut prints, watercolors, gouache, chalk drawings, comics, sketches, creative manuscripts, etc.;

Calligraphy: paper calligraphy, silk and cloth calligraphy, ceramic calligraphy, etc.

(Works with special circumstances can be reported to the platform separately for determination.)

3) Evaluation criteria

Advocate true, good, and beautiful, and promote positive energy; have the characteristics of the progress of the times, preserve righteousness for history, and preserve virtues for the world; whether it is figurative, abstract, or metamorphic works, we must promote the "truth beauty" with "good" as the core, "Beauty of nature", "beauty of life", "beauty of the soul", "beauty of the image", "beauty of the form", against the false, the bad and the ugly; reflects the great practice of the people in pursuit of a happy life and a beautiful ideal, and colorful reality Life; expressing all the beautiful things in nature; the works must be rich in artistic expression, imagination and creativity; they need draw on the fine art traditions and techniques of human history to create a new era of calligraphy and painting art; make the work unify ideological, artistic, and ornamental, and realize the unity of social and economic value of the work.

4) Brief introduction to the consultants and experts of the painting and calligraphy expert review committee

Name	Resume
Peng Shen	Famous calligrapher, art critic, poet, editor and publisher. He is currently a member of the National Committee of the Chinese People's Political Consultative Conference, deputy chairman of the China Federation of Literary and Art Circles, acting chairman of the Chinese Calligraphers Association, consultant of the China Fine Arts Publishing House, and editor-in-chief of "Chinese Painting and Calligraphy".

Name	Resume
Zhentang Yan	Chairman of the China Collectors Association, former Deputy Director of the Personnel Department of the Ministry of Culture, member of the Party Group of the State Administration of Cultural Heritage, Secretary of the Party Committee of the State Council directly under the bureau, deputy secretary of the Party Group of the State Administration of Cultural Heritage, Deputy Director, Secretary of the Party Committee of the directly-affiliated agencies, China Calligraphy and Painting Collectors Association Chairman.
Jiaying He	Vice Chairman of China Artists Association, Vice President of China Gongbi Painting Society, Dean of Gongbi Painting Research Institute of China Art Academy, PhD supervisor, former member of the Ninth, Tenth, and Eleventh CPPCC National Committee.
Mingjing Yao	Professor of the Central Academy of Fine Arts, Deputy Dean of the Chinese Academy of Fine Arts of the Central Academy of Fine Arts, Deputy Dean and Vice Chairman of the Li Keran Academy of Fine Arts, member of the China Academy of Art Fine Arts Education and Art Committee, member of the Chinese Artists Association, judges, Art judge of People's Fine Arts Publishing House 'Da Hong Pao' program, member of China New Ink Painting Academy Art Committee, proficient in Chinese landscape painting, figure painting, flower and bird painting and calligraphy.
Huaxiang Wang	Professor of the Central Academy of Fine Arts, deputy dean of the School of Design of the Central Academy of Fine Arts, director of the printmaking department of the Central Academy of Fine Arts, doctoral tutor, chairman of the International Academy Printmaking Alliance, deputy dean of the China Academy of Graphic Arts of the China Academy of Art, and visiting professor of Xi'an Academy of Fine Arts.

Name	Resume
Zhenduo Yan	First-level oil painter of Beijing Academy of Painting, director of oil painting sculpture creation room, concurrently serving as deputy secretary-general of China Oil Painting Society, member of Oil Painting Art Committee of China Artists Association, member of Beijing Art Series Senior Professional Title Evaluation Committee, member of Beijing Artists Association, member of oil painting art committee , Former head of Beijing Oil Painting Research Association.
Geng Li	Legal Representative and Dean of Li Keran Painting Academy, Professor, Researcher, Kyoto University of Plastic Arts, Japan, Academician of Li Keran Art Foundation, Fellow of China National Academy of Painting, Member of Chinese Artists Association, Honorary Curator of Taras Shevchenko Beijing Art Museum.
Xilin Liu	Deputy Director of Theoretical Committee of China Artists Association, Member of Theoretical Committee of the Central Academy of Literature and History, Deputy Dean of the China National Academy of Painting Research, Standing Member of the Founding Committee of the Chinese Painting Society, Librarian of Beijing Museum of Literature and History

2.2.2 Artists' Work Authenticity Guarantee

All the works on the platform will be evaluated by the China Certification & Inspection (Group) Co., Ltd. and issued authenticity and identification instructions. The artist can also carry out self-certification. The artist himself, under the witness of the staff of China Certification & Inspection (Group) Co., Ltd. designated the artistic work as his own creation, and there were video records throughout the process. The China Certification & Inspection (Group) Co., Ltd. (hereinafter referred to as CCIC) is a multinational quality inspection agency under the former General Administration of Quality Supervision, Inspection and Quarantine whose main business is “identification, testing, certification, and training”. CCIC has about 400 institutions around the world and its operating network covers more than 30 countries and regions.

The CCIC Art Center is an independent third-party art evaluation and evaluation operation platform established by CCIC Beijing Co., Ltd. Since its establishment, the CICC Art Center has assisted local courts, procuratorates, public security, disciplinary commissions, customs, industry and commerce departments to successfully handle nearly a thousand art evaluation cases.

The back of all works of art needs to be printed with a "D9ing code" of CCIC for anti-counterfeiting calibration. D9ing code is a commercial password product approved by the State Password Administration. It is an anti-counterfeiting technology product that has obtained three national anti-counterfeiting technology standards. It is the only autonomous, secure, control and anti-counterfeit QR code. Realizing the uniqueness of D9ing code, prevent tampering and non-repudiation in the circulation process, and combine D9ing code with anti-copying and anti-duplicating to ensure the uniqueness and system reliability of D9ing code.

All works of art need to be scanned 200 times electronically at CCIC, and a limited number of feature points are randomly selected for anti-counterfeiting calibration. All the original data is stored in the CCIC's self-built database, and the data is difficult to be damaged, changed or leaked.

2.2.3 Value Preservation of Works

- Issuing pricing: The online price is lower than the market price, in order to leave room for rising value.
- Industry integration: provide offline distribution channels such as “auctions”, “cooperative galleries”, and “art exhibitions”.

2.3 Works Storage Supervision

Self-built Professional Warehouse - Warehouse Standard

The warehouse is a self-built warehouse of Beijing Cultural Property Exchange Center. It adopts constant temperature (temperature 16-18 degrees Celsius) constant humidity (humidity 45% -50%) and inert gas fire extinguishing measures to fully ensure the safety of works. Ping An Insurance of China provides three-in-one property insurance for the entire process from entry to delivery.

2.4 Trading category

Connect original paintings and prints

The original painting stock on the trading platform is about 10,000 square feet and the prints are about 190,000. Around 100,000 square feet of original works and more than 1 million prints have gained approval to be launched.

On the trading platform, customers can enjoy the bilateral market benefits of original paintings and prints, reduce the high investment threshold of original paintings and prints, and effectively hedge the investment risks of original prints. It also allows prints to be not limited to a single market value, effectively increasing the appreciation of prints.



Example of issued target - Yao Mingjing's Chinese Painting Works

Mingjing Yao, born in Beijing in 1959, is a Chinese painter, professor of the Central Academy of Fine Arts, deputy dean and master's tutor of the Chinese Academy of Fine Arts of the Central Academy of Fine Arts.

Social Identities:

- Professor of Central Academy of Fine Arts
- Deputy dean and master's tutor of the Chinese Academy of Fine Arts of the Central Academy of Fine Arts,
- Vice President of Li Keran Painting Academy
- Member of Chinese Artists Association
- Researcher at China National Academy of Painting
- Member of China Art Association Art Education Art Committee
- Researcher of Central Literature and History Museum
- Jury member of "Dahongpao" Art Committee of People's Fine Arts Publishing House
- Disciple of famous painters Mr. Chen Lu and Mr. Sicong Zhou

Major exhibition:

- 2008 "Mingjing Yao's Landscape Art Exhibition" Kyoto Modeling Academy Kyoto, Japan
- 2016 "Xiangyouxinsheng" Mingjing Yao's Art Exhibition China Art Museum Beijing, China
- 2017 "Xiangyouxinsheng" Mingjing Yao's Art Exhibition - Xi'an Station Shanxi Fine Arts Museum Xi'an, China

Highest market price (Gallery / Auction): 200,000 yuan / square feet

Published works example

Product Name	Mingjing Yao Chinese Painting (Print)
Artist Number	210105
Issue Number	156400幅
Issue Price	160 yuan each
Release Time	August 28, 2019



Original work:
'Countryside in
Autumn', 34x34cm,
color on paper, 2019



Print: Art work number:
2101050001
'Countryside in Autumn',
34x34cm



CCIC Certification Report



Certificate

2.5 Application of art coins

- **Calligraphy and painting transaction**

Art coins will be used as the transaction medium for paintings and calligraphy works. Users can use calligraphy and painting coins to purchase paintings and calligraphy on Beiwen online trading platforms and offline centers and can enjoy exclusive benefits. After the purchase is completed, the user can pick up the calligraphy and painting works offline, or choose to send it by mail, or the platform can store it in the designated art warehouse for the user.

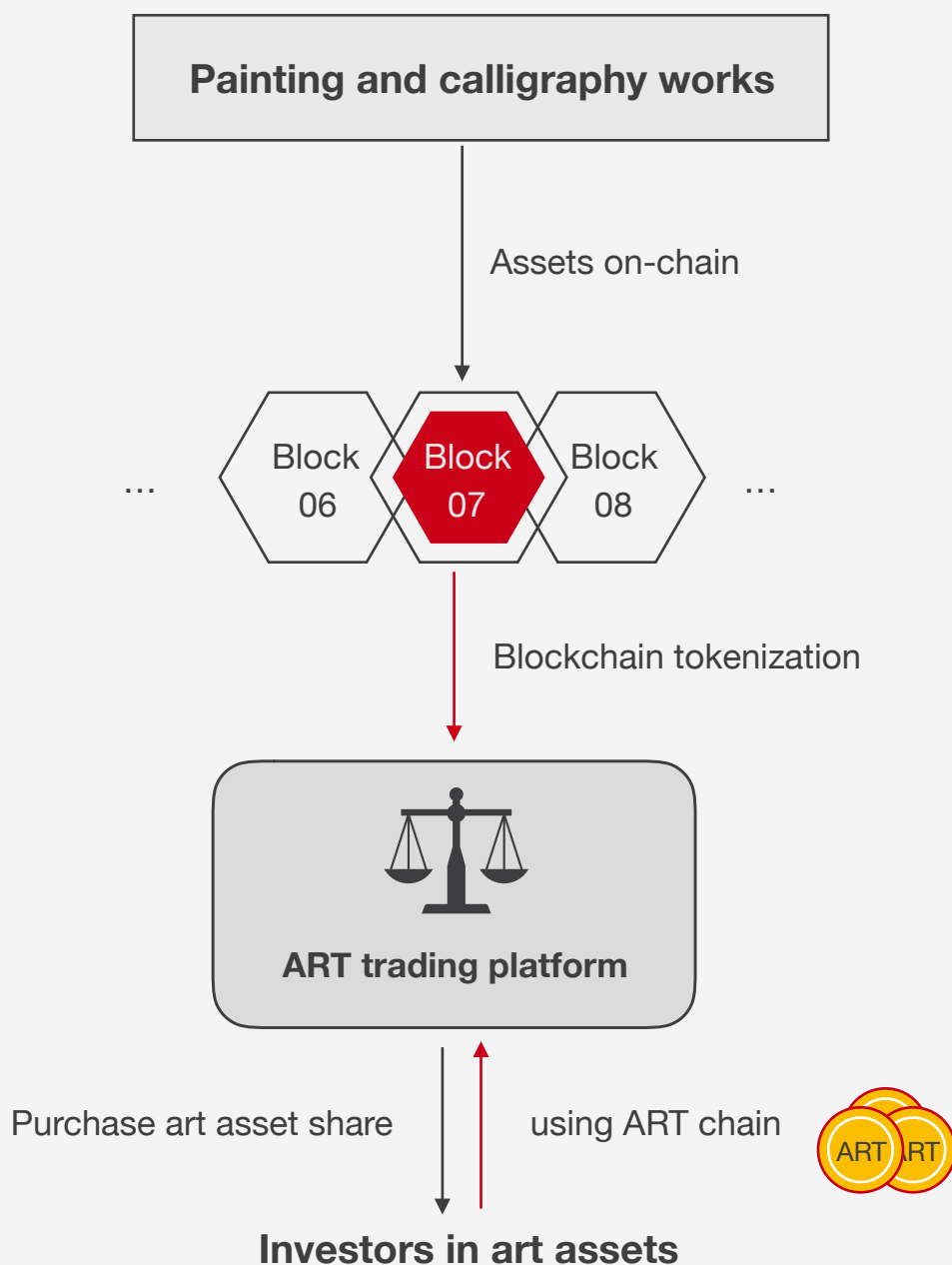
- **Painting and Calligraphy Investment**

Art public chain maps the assets of the artwork to the blockchain, and after it is tokenized, it is circulated on the token trading platform. Each holder of art coins can own part of the artwork through the art coins.

As a digital blockchain token that represents the value of works of art, art coins convert the value of works of art into tradable financial assets and perform real-time transaction settlement on the token trading platform like tradable financial products.

In the art coin trading market, investors can use art coins to buy or sell ownership of artworks in part or whole. Through the asset tokenization, art coin has lowered the entry threshold for small art investors to achieve diversification of their investment portfolios and has greatly improved the liquidity of the art market and expanded the size of the art trading market.

In terms of transactions, after the smart contract is reached, the contract execution process will be triggered automatically once the conditions agreed in the contract occur, so that real-time transaction settlement is achieved which eliminates the lengthy transaction process in traditional transactions and saving manpower and material resources.



- **Offline vending machines for art coins**

The offline calligraphy and painting trading center will also be the first to set up a dedicated vending machine for cultural and creative products for special Art chain payment. Users can use the Art chain to purchase exclusive cultural and creative products.

In the future, with the improvement of the art chain ecology, the application scenarios of art coins will continue to expand.

3. Art Public Chain

The public chain is the underlying protocol of the blockchain and the "operating system" of the blockchain world. The technical team of the Art Coin Foundation has created a public blockchain dedicated to art coins trading - Art Public Chain. The blockchain painting and calligraphy art trading platform and art coins projects run on the art public chain. Art public chain builds distributed data storage space, network transmission environment, transaction and computing channels for the blockchain, uses encryption algorithms to ensure network security, and implements the normal operation of node networks through consensus mechanisms and incentive mechanisms. The API interface provided by the public chain can be called by developers to develop applications that conform to the Art public chain ecology.

Art public chain is positioned for large-scale commercial use, and high-performance DApps are integrated on the network. By implementing the connection between the ART public chain platform and the art industry ecology, the high-speed link of the blockchain world is set up, which is related to actual assets and real value.

It truly connects the industry's information, people, things, and value, and at the same time helps solve business scenario problems with high-performance DApps, effectively improves production efficiency, and promotes the development of the real economy.

The ART public chain will become a connector between the real art market and the blockchain world and can be connected to other blockchain systems to form a universal blockchain technology platform and support large-scale transaction processing requirements. In the blockchain system, there will be more blockchain applications, and a complete blockchain application ecosystem will be established. Blockchain technology will truly enter a new era, and ultimately create a future world of interconnected information and value.

Each node of the Art public chain can join and exit the network freely and participate in the reading and writing of data on the chain. The runtime is interconnected with a flat topology. There is no centralized server node in the network, and anyone can join the network to write and access data, anyone can participate in consensus at any geographic location.

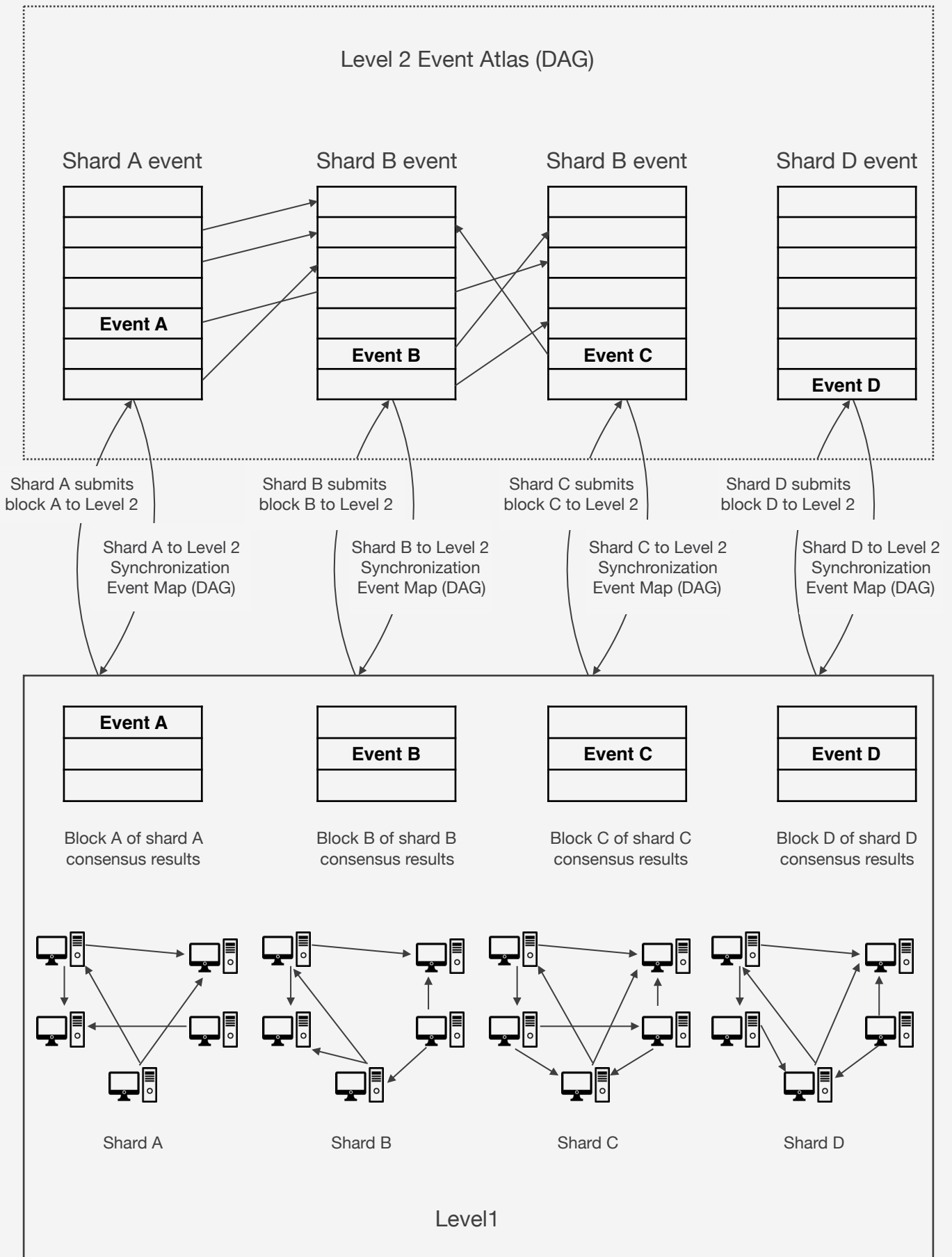
The Art public chain provides a reliable expansion solution for the blockchain development team and solves the performance and security issues through a unique toolkit, allowing developers to focus on implementing blockchain applications, reducing the existing difficulty of applying chain technology to actual scenarios.

The Art public chain provides developers with the basic blockchain framework, module components and a community or communication platform, to connect blockchain participants to a greater extent. In addition, it provides efficient, flexible, and interoperable next-generation blockchain infrastructure services for DApps and builds a neutral and trusted platform for DApps users and developers, providing integrated, personalized, and reliable services.

3.1 Core technologies

The two-layer network structure adopted by the ART public chain is called Level 1 and Level 2, respectively. Level 1 is an open architecture, allowing compatible consensus mechanisms to be selected for applicable scenarios, reaching consensus on a local scale in shards, and providing a stable licensing consensus environment for Level 2; Level 2 can asynchronously process the output of multiple Level 1 network fragments to reach a wider range of consensus. The Level 2 consensus mechanism provides consistency guarantee for Level 1 networks.

In practical applications, the fragmentation mechanism provides a sandboxed environment for Level 1, which limits the behavior of the consensus mechanism in an open architecture and ensures the consistency of the behavior of multiple network fragments. Combined with the constraints of the protocol interacting with Level 2 defined in the framework, multiple different consensus mechanisms can be implemented to run in Level 1 in parallel, providing architectural level support for different application scenarios using different consensus. This also provides the possibility for the coexistence of public chain and alliance chain in the same network. In addition, the use of network sharding to achieve parallel processing of data improves the efficiency of the network to a certain extent.



3.2 Structural design

In order to make full use of the advantages of blockchain technology, to realize an open, high-trust digital ecosystem that covers all aspects of daily life, including clothing, food, housing, transportation, financial services, asset anchoring, etc. At the same time, considering future technical requirements for easier expansion, the Art public chain adopts a hierarchical architecture design idea, including four layers of application layer, core layer, platform layer and basic layer, as shown in the following table.

Application Layer	Art auctions	Transactions	Raceability of calligraphy and painting	
	Asset anchoring	Commodity sales	...	
Core Layer	Financial system	Exchange settlement system		
	Information release system	Supply chain logistics system		
	Configuration management system			
Platform Layer	Digital identity management	Smart contract management		
	Digital currency ecology	Certificate deposit service		
	Information on-chain service	Search engine		
Basic Layer	Blockchain network	Distributed storage network		

3.2.1 Basic Layer

The base layer provides basic blockchain network and storage network services. The blockchain network is located at the lowest level of the system. It provides blockchain-related interface services for upper-layer modules and is the core component of the entire system.

It provides blockchain-related interface services for upper-layer modules and is the core component of the entire system. The information of important data is stored in the distributed ledger of the blockchain, but the original image data is stored in the storage network. In this way, the advantages of the blockchain network ledger, information cannot be tampered can be used, and at the same time, the disadvantages of bloated ledger caused by writing the original mirror data can be avoided. The storage network and the blockchain network interact with each other to provide a complete blockchain system platform.

3.2.2 Core Layer

The core layer abstracts many business scenarios, extracts common services, and forms a core functional system application layer to provide services.

3.2.3 Platform Layer

The platform layer expands the services of the base layer and combines the six modules of digital identity system, smart contract management, digital token ecology, certificate storage service, information on-chain service and search engine to provide functional interface support for the core layer.

3.2.4 Application Layer

The application layer uses the technical capabilities given by the core layer, the platform layer, and the base layer to develop services / DApps that meet the actual needs of users such as clothing, food, housing, transportation, beliefs, etc., and any organization / institution can provide corresponding Services / DApps. In addition, the Art public chain platform will support the tokenization of assets with a built-in "asset anchoring" system.



4. Token Ecology

4.1 Issuer

We have registered the non-profit ART chain foundation in Australia. The main task of the foundation is to be responsible for the construction and operation of the ART chain platform, the formulation of the strategic direction of the ART chain project, the issuance and management of ART coins, etc., which can be open and transparent to the community for information disclosure and calligraphy and painting display.

4.2 Distribution Plan

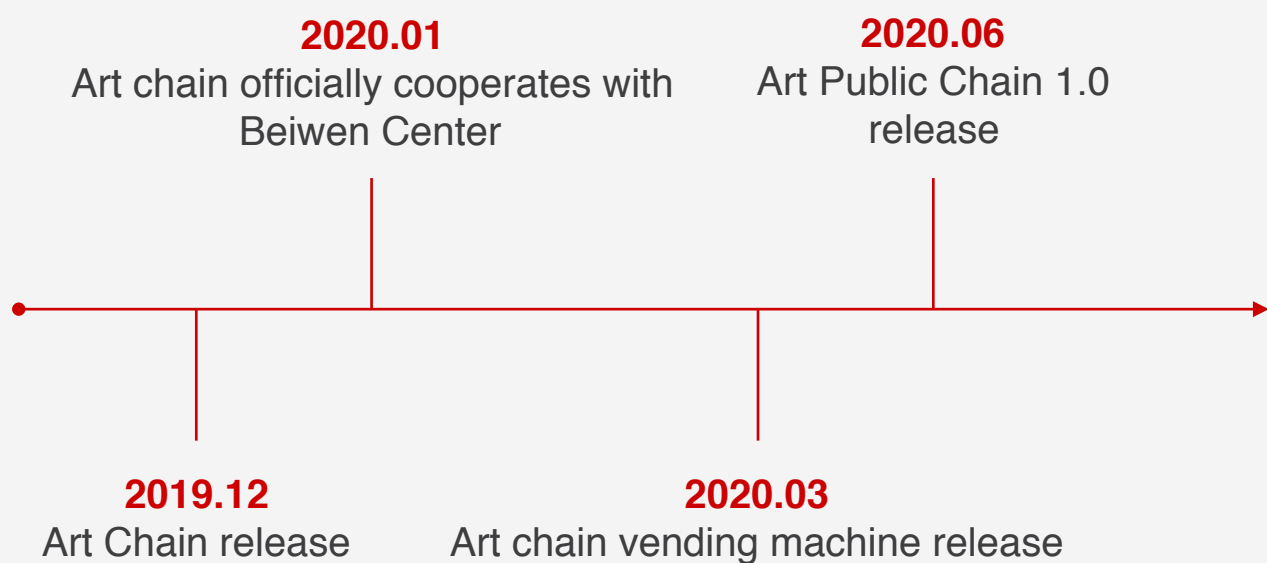
The total issued amount of Art Coin is 1 billion, and it is guaranteed that the amount will never be altered. Initially, calligraphy and painting coins were based on decentralized blockchain digital assets issued by Ethereum, it is an ERC20 standard token based on the Ethereum blockchain. The Art coin development team will continue to develop its own public chain. After the development of the public chain is completed, the Art coin will be mapped to the Art public chain.

Token Name	Art Coin	Abbreviation	ART
Total Circulation	1,000,000,000	Total Liquidity	400,000,000
Total Locked Up	600,000,000		

4.3 Token Distribution

Foundation Management and Business Development	10%
Team Motivation	15%
Technology Development	25%
Ecological Maintenance	50%

5. Development Plan





6. Notice of Risk

All investments imply risks, and the value of the tokens will be affected by a series of factors, some of which are not controlled by the project team and cannot be completely eliminated, which may affect the interests of investors. The following is an incomplete list of major risks:

6.1 Liquidity Risk

The liquidity of the tokens cannot be guaranteed. To ensure that the project tokens conform to all legal requirements, we reserve the rights to restrict the token transactions for any reason. The Art chain Platform will strive to ensure token transactions on all platforms, but transactions on a platform may be restricted by legal and regulatory authorities.

6.2 Market Risks

Although the real estate market is relatively stable, the market risk of Art chain. Project also comes from: inflation, the conditions that may be considered unfavorable to the real estate market, the behaviors of other investors, the economic cycles and environments, changes in interest rates and exchange rates, changes in domestic and international economic situations, political and natural events, government monetary policies, taxation and other legal and regulatory developments. These factors may all affect the value of the tokens and affect the returns of token holders. In addition, as the encrypted currency market itself fluctuates greatly, the volatility of the encrypted currency and encrypted asset market may lead to profit fluctuations, thus causing the risk of token holders.



6.3 Compliance Risks

At present, the policies in the international community on virtual currencies are not clear, and there are compliance risks in tokens. The approaches of the policies towards virtual currencies may affect the price of virtual currency and may also restrict the operation of Art Project Team.

6.4 Security Risks

Based on Cryptocurrency's nature, hackers and other cyber criminals may destroy the security of digital assets, which may lead to significant losses for the holders of the tokens.

7. Disclaimer

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This article outlines the prospects of the Art platform, and we intend to realize this vision. However, our vision depends on many factors, and the prospects of the platform may not be as described in this article. The platform and its tokens are not intended to constitute securities in any jurisdiction. A token of Art platform is a functional utility smart contract in Art ecosystem. Users and token holders should not make speculative investments. We do not promise future performance, nor do we promise the inherent value, or continue to pay, or guarantee that the tokens of Art platform have any specific value.

The sales and purchase agreements of Art chain platform tokens and the holding of any Art chain platform tokens shall be subject to independent Token Sales Agreements or Terms and Conditions, as the case may be. If there is any inconsistency between the Terms and Conditions and this White Paper, the Terms and Conditions shall prevail.

You acknowledge, understand and agree that: if you are a citizen, national, resident, household register and/or green card holder of the following relevant countries, jurisdictions or geographical regions, you are not eligible to purchase an Art platform token, (i) selling a Art token will be interpreted as selling securities or investment products, or (ii) the applicable laws, decrees, regulations, treaties or administrative laws prohibit the purchase or participation in the sale of an Art token.

Americans, Japanese and Chinese, i.e. natural persons residing in the countries mentioned above or any entity, citizen and/or resident (whether or not taxed) organized or registered in these countries are not eligible to participate in the Crowd Token Contribution.